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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/539,462	10/03/2006	Scott Woolford	340512-900308	8392
66498 7590 03/10/2008 THELEN REID BROWN RAYSMAN & STEINER, LLP PO BOX 640640 SAN JOSE, CA 95164-0640				
EXAMINER				
UBER, NATHAN C				
ART UNIT		PAPER NUMBER		
4143				
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**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

### Office Action Summary

**Application No.**

10/539,462

**Applicant(s)**

WOOLFORD, SCOTT

**Examiner**

NATHAN C. UBER

**Art Unit**

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**Period for Reply** -- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 3 October 2006.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1-25 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☐ Claim(s) \_\_\_\_\_ is/are rejected.
- 7) ☒ Claim(s) 1-25 is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☒ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 17 June 2005 is/are: a) ☐ accepted or b) ☒ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☒ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☒ All b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☒ Information Disclosure Statement(s) (PTO/5508)
- Paper No(s)/Mail Date 17 June 2005
- 4) ☐ Interview Summary (PTO-413)
- Paper No(s)/Mail Date \_\_\_\_\_
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: \_\_\_\_\_

## DETAILED ACTION

### Status of Claims

1. This action is in reply to the filing of items required for a complete national stage entry application, those items filed on 3 October 2006.
2. Claims 1-25 are currently pending and have been examined.

### Notice of Non-Compliant Response

3. 37 CFR 1.121 states that whenever there is any amendment to a claim, a claim listing of all claims ever presented in the case must be supplied in ascending numerical order. In addition, the claim listing must include:
  - The **claim number** of every claim ever presented in the application, whether entered or not;
  - A **status identifier**, in parentheses, following each claim number;
  - The text of all pending claims (including withdrawn claims); and
  - **Markings** to show the changes made only to the current amendment relative to immediate prior version.

The seven (7) permissible status identifiers are:

1. **(Original)**: Claim filed with the original specification.
  - Not added by a preliminary amendment and
  - Not previously amended.
2. **(Currently amended)**: Claim being amended and which is not withdrawn from the current amendment.
  - Must include markings (strikethrough, double brackets, or underlining) to indicate changes.
3. **(Cancelled)**: Claim cancelled or deleted in current amendment or previously cancelled/deleted.

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- Do not present the text of a cancelled claim.
  - Consecutive cancelled claims may be grouped together (e.g. claims 1-5 (cancelled)).
4. **(Withdrawn):** Non-elected claim.
- The text of a withdrawn claim must be presented.
  - Currently amended withdrawn claims must be presented with markings (strikethrough, double brackets, or underlining) to indicate changes.
5. **(Previously presented):** Claim that was previously added or amended in an earlier amendment paper.
6. **(New):** Claim being added in the current amendment paper.
- The text of the claim must be presented in clean form without underlining.
7. **(Not entered):** Claim presented in a previously unentered amendment.
- Do not present the text of a not entered claim.
  - Consecutive not entered claims may be grouped together (e.g. claims 1-5 (not entered)).

In the present case the preliminary amendments to the claims do not fully comply with the rules repeated above. Please ensure that all future amendments are properly formatted.

#### **Information Disclosure Statement**

4. The Information Disclosure Statement filed on 17 June 2005 has been considered. An initialed copy of the Form 1449 is enclosed herewith.

#### **Drawings**

5. The drawings are objected to under 37 CFR 1.83(a). The drawings must show every feature of the invention specified in the claims. Therefore, the electronic coupon of claims 10 and 11 must be shown or the feature(s) canceled from the claim(s). No new matter should be entered.

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6. The drawings are objected to as failing to comply with 37 CFR 1.84(p)(4) because reference character "13" has been used to designate both an offer/coupon in Figure 2 and the initial step in the flowchart of Figure 5. Corrected drawing sheets in compliance with 37 CFR 1.121(d) are required in reply to the Office action to avoid abandonment of the application. Any amended replacement drawing sheet should include all of the figures appearing on the immediate prior version of the sheet, even if only one figure is being amended. Each drawing sheet submitted after the filing date of an application must be labeled in the top margin as either "Replacement Sheet" or "New Sheet" pursuant to 37 CFR 1.121(d). If the changes are not accepted by the examiner, the applicant will be notified and informed of any required corrective action in the next Office action. The objection to the drawings will not be held in abeyance.

#### **Specification**

7. The abstract of the disclosure is objected to because it was not provided on a separate sheet. Correction is required. See MPEP § 608.01(b).

#### **Claim Rejections - 35 USC § 102**

8. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

9. **Examiner's Note:** The Examiner has pointed out particular references contained in the prior art of record within the body of this action for the convenience of the Applicant. Although the specified citations are representative of the teachings in the art and are applied to the specific limitations within the individual claim, other passages and figures may apply. Applicant, in

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preparing the response, should consider fully the entire reference as potentially teaching all or part of the claimed invention, as well as the context of the passage as taught by the prior art or disclosed by the Examiner.

10. Claims 1-7 are rejected under 35 U.S.C. 102(e) as being anticipated by Antonucci (U.S. 2003/0236704).

**Claim 1:**

Antonucci, as shown, discloses the following limitations:

- *providing a customer with a reward whenever the customer meets a reward criteria of a rewarding vendor (see at least ¶0053, merchants provide rules that detail the redemption requirements (first sentence)),*
- *wherein the said reward is redeemable by a redeeming vendor in the network when the customer meets a redemption criteria of the said redeeming vendor (see at least ¶0053, merchant supplied promotion/redemption rules and conversion rules),*
- *whereby, the redemption of the reward results in the redeeming vendor providing the customer with a further reward (see at least ¶0062, "...a merchant may offer bonus points..").*

**Claim 2:**

Antonucci, as shown, discloses the following limitation:

- *the reward criteria includes the customer having to purchase goods or services from the rewarding vendor in the network (see at least ¶ 0063, "[c]ustomers may earn points by presenting a loyalty identifier at a the point of sale when shopping at a merchant...).*

**Claim 3:**

Antonucci, as shown, discloses the following limitation:

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- *the reward criteria includes the customer having to present a membership card to the rewarding vendor* (see at least ¶0063, loyalty identifier and ¶0027, identifier may be a rewards card or smart card).

**Claim 4:**

Antonucci, as shown, discloses the following limitations:

- *the reward includes a redeemable credit* (see at least ¶0064, "redeem the general loyalty points for discounts off new purchases at participating merchants or convert all or a subset of the loyalty points to merchant specific loyalty dollars..."),
- *said credit being redeemable for a discount on the cost of goods or services provided by the redeeming vendor* (see at least ¶0064, "redeem the general loyalty points for discounts off new purchases at participating merchants or convert all or a subset of the loyalty points to merchant specific loyalty dollars...").

**Claim 5:**

Antonucci, as shown, discloses the following limitation:

- *the credit is redeemable only at specified redeeming vendors in the network* (see at least ¶0023, "...points may be redeemed for cash, products, services... for example, a customer may redeem points for a pair of Gap jeans and an 8 ounce container of Hagen Daas ice cream anywhere *within the coalition of merchants...*" emphasis added).

**Claim 6:**

Antonucci, as shown, discloses the following limitation:

- *the credit is redeemable within a specified time period* (see at least ¶0053, conversion rules may include a time limit rule).

**Claim 7:**

Antonucci, as shown, discloses the following limitation:

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- *the specified time period is dependant upon the value of a purchase by a customer in order to obtain the credit (see at least ¶0061, "a points ratio related to dollar value purchased", see also ¶0062, "merchant may offer any type of promotions or conversion rule using any type of criteria").*

### Claim Rejections - 35 USC § 103

11. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

12. The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

13. Claims 8-25 are rejected under 35 U.S.C. 103(a) as being unpatentable over Antonucci (U.S. 2003/0236704) in view of Dosh, JR. et al. (U.S. 2002/0062253).

#### Claim 8:

Although Antonucci does disclose "fees that may be associated with participation in the system" (¶0056), Antonucci does not disclose specifically charging the customer for the membership or awarding points just for enrolling; however, Dosh, as shown, does:

- *a customer is provided with an offer of a discount on goods or services from vendors in the network in exchange for the purchase of a membership card*

(see at least ¶¶0029-0030, pays for the membership and receives points at sign-up),

It would have been obvious to one having ordinary skill in the art at the time the invention was made to charge customers for a membership and to immediately award points to entice customers to enroll in the program because the membership charge may help defray the cost of implementing the invention (i.e. the cost of the cards and card readers, and the cost of the discounts) and the initial point awards may serve to further entice customers to join the loyalty program who might be turned off by an initiation charge.

**Claim 9:**

The combination Antonucci/Dosh discloses the limitations as shown in the rejections above. Neither Antonucci nor Dosh disclose a printed coupon offering membership as claimed in the limitation below:

- *the offer is provided in the form of a coupon,*

However, Examiner takes **Official Notice** that it is old and well known in the art to provide printed coupons to customers. Therefore it would have been obvious to one having ordinary skill in the art at the time the invention was made for a user practicing the Antonucci loyalty system to offer membership in a printed form via a coupon because printed advertising and coupon circulars is a common forum for merchants to reach potential customers that are actively seeking money-saving deals.

**Claim 10:**

The combination Antonucci/Dosh discloses the limitations as shown in the rejections above. Further Antonucci, as shown, discloses the following limitation:

- *the coupon is offered to the customer via an electronic medium* (see at least ¶0021, “[c]onsumers may participate in the system when shopping at a “brick and mortar” store or on the internet” see also ¶0056, ways to enroll).

**Claim 11:**

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The combination Antonucci/Dosh discloses the limitations as shown in the rejections above. Further Antonucci, as shown, discloses the following limitation:

- *the electronic medium is the Internet* (see at least ¶0056, enroll online).

**Claim 12:**

The combination Antonucci/Dosh discloses the limitations as shown in the rejections above. Further Antonucci, as shown, discloses the following limitation:

- *the membership card is a smart card* (see at least ¶0057, "smart card").

**Claim 13:**

The combination Antonucci/Dosh discloses the limitations as shown in the rejections above. Further Antonucci, as shown, discloses the following limitation:

- *information is recorded on the smart card including the identity of the customer* (see at least ¶0057, generally describing the various ways a customer ID can be stored on and retrieved from various types of cards including smart cards),

Antonucci does not disclose specifically charging storing a loyalty points balance on a smart card; however, Dosh, as shown, does:

- *and the number of redeemable credit available to the customer at any given time* (see at least ¶0098, "...merchant will deduct points from the member's smart card balance"),

It would have been obvious to one having ordinary skill in the art at the time the invention was made to store customer information and points balance information on a smart card embodiment of the Antonucci invention because smart cards are more secure for storing sensitive customer data than networks (see Dosh ¶0027).

**Claim 14:**

The combination Antonucci/Dosh discloses the limitations as shown in the rejections above. Further Antonucci, as shown, discloses the following limitation:

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- *the information on the smart card is updated whenever the customer makes a purchase or redeems credit* (see at least ¶0040, "a consumer may be updated with regard to various aspects of the system via incentive engine").

**Claim 15:**

The combination Antonucci/Dosh discloses the limitations as shown in the rejections above. Further Antonucci, as shown, discloses the following limitation:

- *the redemption criteria includes the customer having to redeem credit* (see at least ¶0064, "[a]fter earning loyalty points, consumers may redeem the general loyalty points for discounts off new purchases...")

**Claim 16:**

The combination Antonucci/Dosh discloses the limitations as shown in the rejections above. Further Antonucci, as shown, discloses the following limitation:

- *the redemption criteria includes the customer having to redeem credit in full* (see at least ¶0064, customer may convert all or a subset of loyalty points, see also infra. merchants may impose any promotion rule).

**Claim 17:**

The combination Antonucci/Dosh discloses the limitations as shown in the rejections above. Further Antonucci, as shown, discloses the following limitation:

- *the redemption criteria includes the customer having to purchase a good or service from the redeeming vendor* (see at least ¶0064, "discounts off new purchases" emphasis added).

**Claim 18:**

The combination Antonucci/Dosh discloses the limitations as shown in the rejections above. Further Antonucci, as shown, discloses the following limitations:

- *including the step of providing an information directory* (see at least ¶0038, consumer terminal),

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- *said information directory including details of the reward criteria, redemption criteria and the nature and availability of goods or services provided by each vendor in the network* (see at least ¶0038, consumer terminal may be used to review reward criteria, redemption criteria, and directory of participating merchants).

**Claim 19:**

The combination Antonucci/Dosh discloses the limitations as shown in the rejections above. Further Antonucci, as shown, discloses the following limitation:

- *the information directory is accessible electronically via the Internet using a World Wide Web browser* (see at least ¶0038, consumer terminal includes any remote terminal and is available online).

**Claim 20:**

The combination Antonucci/Dosh discloses the limitations as shown in the rejections above. Further Antonucci, as shown, discloses the following limitation:

- *the information directory is updated periodically* (see at least ¶0038, consumer terminal communicates with the system).

**Claim 21:**

The combination Antonucci/Dosh discloses the limitations as shown in the rejections above. Further Antonucci, as shown, discloses the following limitation:

- *the vendors in the network mutually agree as to the value of any rewards offered to, and/or reward criteria that must be met by the customer* (see at least ¶0062, "any type of promotion or conversion rule using any type of criteria" groups of merchants may agree to coordinate the promotion).

**Claim 22:**

The combination Antonucci/Dosh discloses the limitations as shown in the rejections above. Further Antonucci, as shown, discloses the following limitation:

- *each vendor in the network is both a redeeming vendor and a rewarding vendor* (see at least ¶0012, customer earns points at a merchant and redeems points for discounts at merchant).

**Claim 23:**

The combination Antonucci/Dosh discloses the limitations as shown in the rejections above. Further Antonucci, as shown, discloses the following limitation:

- *the network of vendors is established by selecting prospective vendors which meet a selection criteria* (see at least ¶0062, groups of merchants according to location of products offered).

**Claim 24:**

The combination Antonucci/Dosh discloses the limitations as shown in the rejections above. Further Antonucci, as shown, discloses the following limitation:

- *the selection criteria includes the location, and nature of goods or services sold by the prospective vendor* (see at least ¶0062, "a group of merchants in a certain region, a group of merchants with similar or complementary products and/or the like").

**Claim 25:**

The combination Antonucci/Dosh discloses the limitations as shown in the rejections above. Further Antonucci, as shown, discloses issuing a merchant ID to identify merchants as members or participants in the loyalty system (see at least ¶0028). Antonucci does not specifically disclose issuing a membership card to merchants as claimed in the limitation below:

- *vendors in the network are issued with a vendor membership card,*

However, as shown in the rejections above, issuing a membership ID card to customers is contemplated within the Antonucci invention. Therefore it would have been obvious to one having ordinary skill in the art at the time the invention was made to also issue membership cards to merchants containing their membership ID information because the

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storage capabilities of a card may improve the installation or initialization of a loyalty program at a merchant location, for example promotion rules can be uploaded to a merchant POS system from a merchant smart card. Using merchant ID cards in this manner improves the efficiency of the system.

### **Conclusion**

14. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.
- Kawan, U.S. 6,889,198. This invention is a method for using smart cards to implement and track loyalty points.
  - Postrel, U.S. 6,594,640. This is patent is one of a large patent family relating to a consumer/merchant system that functions online and in POS locations and uses smart cards to track and implement loyalty rewards.
  - Eggleston et al. U.S. 6,061,660. This invention is an incentive award program that implements rewards based on consumer activity and is particularly focused on the online environment.

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15. Any inquiry of a general nature or relating to the status of this application or concerning this communication or earlier communications from the Examiner should be directed to **Nathan C Uber** whose telephone number is **571.270.3923**. The Examiner can normally be reached on Monday-Friday, 9:30am-5:00pm. If attempts to reach the examiner by telephone are unsuccessful, the Examiner's supervisor, **James A Reagan** can be reached at **571.270.6710**.
16. Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://portal.uspto.gov/external/portal/pair> <<http://pair-direct.uspto.gov>>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at **866.217.9197** (toll-free).
17. Any response to this action should be mailed to:

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or faxed to **571-273-8300**.

18. Hand delivered responses should be brought to the **United States Patent and Trademark Office Customer Service Window**:

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/Nathan C Uber/ Examiner, Art Unit 4143

22 February 2008

/James A. Reagan/Supervisory Patent Examiner, Art Unit 4143